GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

STARRED QUESTION NO:174
ANSWERED ON:09.12.1999
DISCOUNTS ALLOWED BY FOREIGN AIRLINES
VENKATA KRISHNAM RAJU UPPALAPATI

Will the Minister of CIVIL AVIATION be pleased to state:

(a) Whether the Government are aware that extra commission and heavy discounts are being given by the Foreign Airlines to their agents which cause a heavy loss to Air India;

(b) if so, the details thereof; and

(c) the steps taken by the Government to check this loss?

Answer

THE MINISTER OF CIVIL AVIATION (SHRI SHARAD YADAV)

(a), (b) and (c) : A statement is laid on the table of the House.

STATEMENT TO BE LAID ON THE TABLE OF LOK SABHA IN REPLY TO PARTS (A), (B) AND (C) OF LOK SABHA STAI QUESTION NO.174 ON 09.12.99 REGARDING DISCOUNTS ALLOWED BY FOREIGN AIRLINES

(a) and (b): Discounting is a common airline practice based on pricing strategies of the airlines determined by factors like traffic potential of the route, competition, seasonality etc. The discounts on IATA published fares vary for different sectors. Heavy discounting no doubt results in yield reductions and adversely affect all airlines including Air India.

(c): Board of Airline Representatives of India consisting of all airlines operating to India has formed Yield Improvement Programme Committees for the Gulf and Western Routes to discuss and resolve issues relating to heavy discounting.